**Finance Act 2016 (No. 28 of 2016)**

CHAPTER V

*Service Tax*

**Amendment of section 65B**

**148**. In the Finance Act, 1994 (32 of 1994)(hereinafter referred to as the 1994 Act), in section 65B,—

|  |  |  |
| --- | --- | --- |
| (*a*) |   | clause (*11*) shall be omitted; |
| (*b*) |   | in clause (*44*), in *Explanation 2,*in sub-clause (*ii*), for item (*a*), the following item shall be substituted, namely:-- |
|  |   | "(*a*) by a lottery distributor or selling agent on behalf of the State Government, in relation to promotion, marketing, organising, selling of lottery or facilitating in organising lottery of any kind, in any other manner, in accordance with the provisions of the Lotteries (Regulation) Act, 1998; (17 of 1998)". |

**Amendment of section 66D**

**149**. In the 1994 Act, in section 66D,—

|  |  |  |
| --- | --- | --- |
| (*a*) |   | clause (*l*) shall be omitted; |
| (*b*) |   | with effect from the 1st day of June, 2016— |

|  |  |  |
| --- | --- | --- |
| (*i*) |   | in clause (*o*), sub-clause (*i*) shall be omitted; |
| (*ii*) |   | in clause (*p*), sub-clause (*ii*) shall be omitted. |

**Amendment of section 66E**

**150**. In the 1994 Act, in section 66E, after clause (*i*), the following clause shall be inserted, namely:—

*"*(*j*) assignment by the Government of the right to use the radio-frequency spectrum and subsequent transfers thereof.".

**Amendment of section 67A**

**151**. In the 1994 Act, in section 67A, the existing section shall be renumbered as sub-section (1) thereof, and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

"(*2*) The time or the point in time with respect to the rate of service tax shall be such as may be prescribed.".

**Amendment of section 73**

**152**. In the 1994 Act, in section 73,—

|  |  |  |
| --- | --- | --- |
| (*i*) |   | in sub-sections (*1*), (*1A*), (*2A*) and (*3*), for the words "eighteen months", wherever they occur, the words "thirty months" shall be substituted; |
| (*ii*) |   | in sub-section (4B), in clause (*a*), for the words "whose limitation is specified as eighteen months in", the words "falling under" shall be substituted. |

**Amendment of section 75**

**153.**In the 1994 Act, in section 75, for the words ''Provided that'', the following shall be substituted, namely:—

''**Provided** that in the case of a person who collects any amount as service tax but fails to pay the amount so collected to the credit of the Central Government, on or before the date on which such payment is due, the Central Government may, by notification in the Official Gazette, specify such other rate of interest, as it may deem necessary:

**Provided further** that''.

**Amendment of section 78A**

**154**. In the 1994 Act, in section 78A, the following *Explanation*shall be inserted, namely:—

"*Explanation*.— For the removal of doubts, it is hereby clarified that where any service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded, and the proceedings with respect to a notice issued under sub-section (1) of section 73 or the proviso to sub-section (1) of section 73 is concluded in accordance with the provisions of clause (*i*) of the first proviso to section 76 or clause (*i*) of the second proviso to section 78, as the case may be, the proceedings pending against any person under this section shall also be deemed to have been concluded.".

**Amendment of section 89**

**155.**In the 1994 Act, in section 89, in sub-section (1), for the words "fifty lakh rupees", at both the places where they occur, the words "two hundred lakh rupees" shall be substituted.

**Amendment of section 90**

**156.**In the 1994 Act, in section 90, sub-section (2) shall be omitted.

**Amendment of section 91**

**157.**In the 1994 Act, in section 91,—

|  |  |  |
| --- | --- | --- |
| (*a*) |   | in sub-section (1), the words, brackets and letter "clause (*i*) or" shall be omitted; |
| (*b*) |   | sub-section (3) shall be omitted. |

**Amendment of section 93A**

**158**. In the 1994 Act, in section 93A, for the word "prescribed", the words "prescribed or specified by notification in the Official Gazette" shall be substituted.

**Insertion of new sections 101, 102 and 103**

**159**. In the 1994 Act, after section 100, the following sections shall be inserted, namely:—

"101. *Special provision for exemption in certain cases relating to construction of canal, dam, etc*.—(1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of July, 2012 and ending with the 29th day of January, 2014 (both days inclusive) in respect of taxable services provided to an authority or a board or any other body—

|  |  |  |
| --- | --- | --- |
| (*i*) |   | set up by an Act of Parliament or a State Legislature; or |
| (*ii*) |   | established by the Government, |

with ninety per cent. or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution, by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of canal, dam or other irrigation works.

(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had sub-section (1) been in force at all material times.

(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.

102. *Special provision for exemption in certain cases relating to construction of Government buildings*.—(1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of April, 2015 and ending with the 29th day of February, 2016 (both days inclusive), in respect of taxable services provided to the Government, a local authority or a Governmental authority, by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of—

|  |  |  |
| --- | --- | --- |
| (*a*) |   | a civil structure or any other original works meant predominantly for use other than for commerce, industry or any other business or profession; |
| (*b*) |   | a structure meant predominantly for use as— |

|  |  |  |
| --- | --- | --- |
| (*i*) |   | an educational establishment; |
| (*ii*) |   | a clinical establishment; or |
| (*iii*) |   | an art or cultural establishment; |

|  |  |  |
| --- | --- | --- |
| (*c*) |   | a residential complex predominantly meant for self-use or for the use of their employees or other persons specified in *Explanation*1 to clause (*44*) of section 65B of the said Act, |

under a contract entered into before the 1st day of March, 2015 and on which appropriate stamp duty, where applicable, had been paid before that date.

(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had sub-section (1) been in force at all the material times.

(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.

103. *Special provision for exemption in certain cases relating to construction of airport or port*.—(1) Notwithstanding anything contained in section 66B, no service tax shall be levied or collected during the period commencing from the 1st day of April, 2015 and ending with the 29th day of February, 2016 (both days inclusive), in respect of services provided by way of construction, erection, commissioning or installation of original works pertaining to an airport or port, under a contract which had been entered into before the 1st day of March, 2015 and on which appropriate stamp duty, where applicable, had been paid before that date, subject to the condition that Ministry of Civil Aviation or, as the case may be, the Ministry of Shipping in the Government of India certifies that the contract had been entered into before the 1st day of March, 2015.

(2) Refund shall be made of all such service tax which has been collected but which would not have been so collected had sub-section (1) been in force at all material times.

(3) Notwithstanding anything contained in this Chapter, an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2016 receives the assent of the President.".

**Amendment of notification issued under section 93A of Finance Act, 1994**

**160**. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 519(*E*), dated the 29th June, 2012 issued under section 93A of the Finance Act, 1994 (32 of 1994) granting rebate of service tax paid on the taxable services which are received by an exporter of goods and used for export of goods, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Tenth Schedule, on and from and up to the corresponding dates specified in column (*3*) of the Schedule, and accordingly, any action taken or anything done or purported to have taken or done under the said notification as so amended, shall be deemed to be, and always to have been, for all purposes, as validly and effectively taken or done as if the said notification as amended by this sub-section had been in force at all material times.

(2) Rebate of all such service tax shall be granted which has been denied, but which would not have been so denied had the amendment made by sub-section (1) been in force at all material times.

(3) Notwithstanding anything contained in the Finance Act, 1994 (32 of 1994), an application for 2 the claim of rebate of service tax under sub-section (*2*) shall be made within the period of one month from the date of commencement of the Finance Act, 2016.